

## **SYNTHESIS OF RRG “BRAINSTORMING” RESULTS AUGUST 20 AND 21, 2003**

1. On planning and expansion:

**Areas of consensus on what we need from a planning and expansion proposal:**

- Need for a regional transmission plan (that is periodically updated)
  - Gives information about current use and problems on system,
  - Looks forward to various possible future conditions,
  - Lays out some possible options (sample solutions – this would include DSM, alternatives to new transmission construction, etc.) and their consequences, as opposed to a prescriptive “least cost plan”
- Ability to identify beneficiaries and potential parties responsible for implementation
- Transparency of information
- Some level of independence and objectivity and inclusion
- [Help inform development of public policy]
- A key test: Will the plan be executed?
  - Reasonable expectation of cost recovery

**We have essentially two basic options for transmission planning:**

(1) RTO West Stage 2 (which has as part of it interconnection-wide coordination through SSG-WI) (look at whether there are desirable refinements, if phase-in should be an option, etc.)

(2) Work from a regional approach that does not rely on an RTO (and does not assume that there will be an RTO), and explore how to address the expansion piece

**Proposed “incremental” approach to planning and expansion:**

- A. Voluntary regional planning group using utility people for analysis, open to all stakeholders.
- B. Independently funded planning group open to all stakeholders.
- C. B + Adequacy standards enforced through voluntary agreement among state PUCs and BPA (includes warning system to tell region if process is not working).
- D. C + Backstop authority to collect money, allocate costs and cause construction of transmission.
- E. D + Authority to cause construction of non-transmission alternatives.

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- 2. On the group of issues related to transmission service and congestion management:

**Proposed grouping of issues:**

- Short-term access for existing customers
- Scheduling
- Congestion Management
- Pricing (Incremental)
- Rights/Contracts
- [Major linkage to expansion – information (planning) and incentives]
- [Another linkage – seams]

**Three basic variants for this grouping of issues:**

- (1) RTO West Reloaded – lead is filing utilities with other interested parties
  - Independent entity controls access and scheduling
  - Accept all schedules; flow-based system assessment
  - Congestion management by reverse schedules, redispatch

- Voluntary, bid-based locational approach
- Real-time ancillary services markets support balanced schedules
- Pricing – marginal congestion relief cost
- FTOs, fungible, liquid, convert existing contract rights

(2) “Enhanced” Independent Scheduler – lead is Lon Peters

- Independent entity controls access and scheduling
- Contract path
- Existing contracts and ATC ownership
- ATC calculated according to current practices
  - Variant – independent entity calculates ATC
- Pricing – no incremental pricing
- Other features to be identified in written description

(3) “Maximize ATC” – lead is BPA

- Make use of netting and diversity
- Need for an independent entity to administer
- Seek to increase use of underutilized paths
- Independent entity seeks to foster voluntary markets in rights and redispatch
- Explore new transmission service products (*e.g.*, “semi-firm”)
- One-stop shopping

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3. Other major subject areas yet to be discussed:

- Embedded system cost recovery
- Pancaked transmission rates/general “transactional” pancaking
- Long-term access (establishing customer relationship with transmission provider, including interconnection)
- Ancillary services, control area functions, and short-term reliability

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4. Proposed components of proposal “packages”

Each proposal would be outlined in a paper using a basic template that describes how the proposal would address identified problems and opportunities in the following areas:

- Planning and expansion
- Use of existing system
  - Short-term access
  - Scheduling, calculation of ATC
  - Congestion management/system control
  - Transmission rights
- Ancillary services, control area functions, and short-term reliability
- Pancaked transmission rates/general “transactional” pancaking
- Long-term access (interconnection and business relationship)
- Embedded cost recovery
- [Market monitoring and market power mitigation]
- Ball-park information about expected expense, time to implement, and “return on investment”

**SCHEDULE FOR RRG MEETINGS AND WORK  
SEPTEMBER 3 THROUGH SEPTEMBER 23, 2003**

Before September 3 meeting:

- Coordinating team will develop template for preparing descriptions of packages (and post on Website)
- Coordinating team will refine the “problems and opportunities” list to track with template (and post on Website)
- Coordinating team will post updated RRG list
- Coordinating team will post synthesis of where RRG discussions on August 20 and 21 ended up

September 3 – discuss the major areas still remaining in “brainstorming” mode

- Embedded system cost recovery
- Pancaked transmission rates/general “transactional” pancaking
- Long-term access (establishing customer relationship with transmission provider, including interconnection)
- Ancillary services, control area functions, and short-term reliability

September 4 – identify the groupings of different options that would be written up as packages, and who will write them up

September 10 and 11 – work sessions to develop packages, to be released for review in time for meetings week of September 22; *ground rule*: working on a proposal does not constitute endorsing the proposal

Packages to be delivered for posting by close of business on September 17

Week of September 22 – Discuss packages; look for common ground; decide what analytical work should be done with respect to the packages, how to do it, and how long it will take; decide on what happens next (meeting schedules and further work) (Monday, September 22 10 a.m. to 6:00 p.m.; Tuesday, September 23 8 a.m. to 1:30 p.m.)